

# Cost Approach

## Neighborhood Factor Problem

	A	B	C	D	E	F
House #	Sale Price	Land Value	Imp Sale Price	Replacement Cost New	Depreciation	Imp Value
1	\$79,900	\$15,000	\$64,900	\$87,700	\$3,510	\$84,190
2	\$92,500	\$16,500	\$76,000	\$117,790	\$30,540	\$87,250
3	\$85,000	\$17,000	\$68,000	\$95,900	\$21,100	\$74,800
4	\$82,500	\$17,000	\$65,500	\$107,000	\$27,820	\$79,180
5	\$68,000	\$16,100	\$51,900	\$67,590	\$17,680	\$49,910
TOTALS			\$326,300			\$375,330

A - B = C D - E = F

### NEIGHBORHOOD FACTOR

Total Sales Price of all Improvements

\$326,300 C

Total AV of all Improvements

\$375,330 F

Neighborhood Factor

EQUALS

0.87